

CITY OF SCOTTSDALE TOURISM ADVISORY TASK FORCE REGULAR MEETING

Wednesday, June 17, 2015

Arizona State University SkySong Global Conference Room: 201 1475 North Scottsdale Road Scottsdale, Arizona 85257 Approved Meeting Minutes

PRESENT: John Holdsworth, Chairman

Cory Baker

Kate Birchler (out from 10:15 a.m. to 11:24 a.m.)

Andrew Chippindall

Kathy Duley Richard Hayslip

Taryl O'Shea (left at 11:05 a.m.)

Susan Potje Fred Unger

ABSENT: Matthew Wright, Vice Chairman

STAFF: Steve Geiogamah

Holli Shannon Brian Dygert Ben Moriarity Rose Rimsnider Dan Worth Susan Conklu Danielle Casey Sara Javoronok Taylor Reynolds Erin Perreault Kira Wauwie Cheryl Sumners

GUESTS: Valeri LeBlanc, PLACES Consulting

Diane Reicher Jacobs, Holly Street Studios

Ace Bailey, TDC Carl Grupp, TDC Megan Doyle TOURISM ADVISORY TASK FORCE REGULAR MEETING June 17, 2015 Page 2 of 10

> Kelly Triplett Sonnie Kirtley Teresa Lewis Bob Pejman

1. Call to Order/Roll Call

Noting the presence of a quorum, Chairman Holdsworth called the regular meeting of the Scottsdale Tourism Advisory Task Force to order at 9:08 a.m.

2. Public Comment

There were no public comments.

3. Approval of Minutes

TASK FORCE MEMBER UNGER MOVED TO APPROVE THE MINUTES OF THE MARCH 18, 2015 REGULAR MEETING AS PRESENTED. TASK FORCE MEMBER BIRCHLER SECONDED. THE MOTION CARRIED BY A VOTE OF NINE (9) TO ZERO (0). VICE CHAIR WRIGHT WAS ABSENT.

4. Draft General Plan 2035

Sara Javoronok, Project Coordination Liaison, presented a draft of General Plan 2035 recommended by the General Plan Task Force. Extensive public input was incorporated into this draft. Additional input gathered during this open comment period will be used to further refine the draft. The General Plan is a primary tool for guiding the future development and character of the City. It is a statement of City policy that is adopted by the City Council and ratified by voters. The State requires that each city adopt a general plan that remains in effect for ten years. Scottsdale's last attempt at a General Plan, in 2012, was not ratified by voters. General Plan 2035 is expected to go before voters in 2016.

Ms. Javoronok explained that the General Plan consists of 22 elements, 17 of which are required by the State. Some of the new policies are designed to build upon Scottsdale's reputation as a regional leader and destination in the arts, culture, and creative community. These include the promotion of downtown programs; the strengthening of downtown arts destinations; and the development of partnerships to promote regional, national and international exchanges. Creative placemaking is encouraged to revitalize neighborhoods, enhance the sense of place, celebrate Scottsdale's cultural heritage and strengthen the community's character. Art will be incorporated into public programs. Public art that reflects the past, present and future will be encouraged. Arts uses will be co-located in different venues throughout the community. Creative communities will be promoted through education and exposure to the arts.

Ms. Javoronok stated that the General Plan contains a number of different goals and policies within the economic development element that relate to tourism. One goal is to

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foster Scottsdale's resiliency to economic change through the support of core industries, including tourism. Another is to provide diverse economic activities, employment opportunities and educational pursuits. Scottsdale should adopt land use policies to protect and enhance the Scottsdale Airport as a destination for business development and tourism, identify and promote locations for infill development, promote orderly and planned growth, and expand and maintain the city's resorts, tourism and other employment drivers. Other goals include ensuring that Scottsdale has a diverse economic base, operates in a fiscally responsible manner, and that fiscal implications of land use are considered.

5. Supporting Downtown Business Activities

Danielle Casey, Economic Development Director, stated that City Council approved the Economic Development Strategic Plan in February of 2015. A data and resources webpage is available at choosescottsdale.com. The plan identifies the top six recommendations for action:

- Retaining and growing existing economic drivers and employers
- Support efforts to help employers cultivate, retain and attract the talent they need
- Strengthening key employment and business centers, including the Airpark, the Cure Corridor, the McDowell Road Corridor, and downtown
- Elevating the level of engagement in national and international economic development efforts
- Building a business location on par with Scottsdale's tourism brand
- Growing and attracting quality firms in the targeted sectors of bio/life sciences, advanced business services, tourism and hospitality, and entrepreneurship and emerging enterprises

Ms. Casey explained that Economic Development is working to ensure that different City departments are communicating with each other to promote collaboration on major efforts and to avoid duplication of efforts. In terms of marketing support and assistance, plans are under way to help downtown merchants develop their marketing strategies, and link their websites through a downtown portal.

Chairman Holdsworth said the problem is that many of the downtown merchants believe that events, festivals and visitors do nothing for their businesses. Bob Pejman, owner of the Pejman Gallery, said the special events take away from activity on the street. Visitors who come in for Scottsdale's signature events spend their time exclusively at those shows, which are mostly in northern Scottsdale.

Task Force Member Chippindall noted that the Task Force is trying to encourage the development of events in downtown. Mr. Pejman responded that the Art Bridge at the Waterfront has taken much business away from him, even though it attracts the very crowd that is interested in art. It would be preferable to have events that complement what galleries are selling, rather than competing with them.

Chairman Holdsworth noted that there are many people in Scottsdale with the expertise and the willingness to help downtown merchants better market themselves to the visitors

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and draw them to their businesses. The Task Force does not have all the answers, but is putting much time, effort, and money into helping downtown as a whole.

Ms. Casey said the demographics and the base employers in downtown are changing. Economic Development can help by learning more about the market and communicating that information to merchants so they can better react to changes. There are 3,200 people working in the Galleria, for example, and if a way can be found to keep them downtown after work, the merchants would benefit.

Pop-up shops and food trucks are ways to activate empty storefronts for a short time in a way that complements and drives traffic to existing businesses, if marketed appropriately. Birmingham, Alabama, has successfully used this idea. Paducah, Kentucky, started a visiting artist program that paid for artists to move to the community in exchange for exhibition and demonstration commitments that were used to promote downtown as a destination. Mr. Pejman said the city is overloaded with artists already. The more that are brought in, the harder it is for the existing ones to survive. Valeri LeBlanc explained that the research pretty clearly demonstrates that the artists themselves are becoming increasingly more important when it comes to marketing the arts nationally.

Mr. Pejman said the art galleries in Laguna Beach and Carmel, California, are doing very well because they placed moratoriums on new galleries and art events to ensure that the existing ones can stay in business. Task Force Member Unger said he knows both communities well. The quality and level of their entire offerings, including restaurants and retail, attracts a lot of qualified traffic. By addressing the whole experience, Scottsdale would benefit the art scene in a similar way.

Ms. Casey stated that there are models for downtown events, such as the one used in Tempe, that limits participation to complementary, non-competing interests, but they are privately run. This is difficult for a city to regulate. Redevelopment funding can provide matching grants to enhance the look and feel of merchant areas by improving store facades. Chairman Holdsworth noted that the Task Force is considering the introduction of a professional organization outside the City structure to manage the operation of downtown events.

Ms. Casey said that Economic Development is developing attraction strategies for arts education, retail, and small business and entrepreneurial support programs. Downtown can also benefit from enhanced security, community ambassadors, marketing cooperatives, parking management and oversight, and above average service levels and beautification enhancements.

Mr. Pejman felt that cosmetic fixes would do a lot of good. Task Force Member Birchler said Austin, Texas, makes good use of pop-up shops or food trucks to fill empty spaces and promote pedestrian-friendly traffic flow. Marketing support for individual merchants is also very important. Task Force Member Baker said the focus so far has largely been on visual artists, but the performing arts can also lead to vibrant downtowns.

Destination Event Marketing Analysis and Fundraising Feasibility AnalysisThis item was not presented.

7. AZ Central Project

Diane Reicher Jacobs explained that Holly Street Studio specializes in public projects, including the recently completed museum at McCormick-Stillman Railroad Park. For the AZ Central project, the studio was asked to confirm some assumptions and take a larger view of place. Scottsdale's history serves as a strong identity-giving device, and there is growing recognition that urban spaces matter.

Ms. Jacobs said AZ Central is a site along the canal that is conceived of as a place for public presentations, everyday activities, big festivals, a visitor center, and an open park space. The concept was inspired by existing parks such as the Emerald Necklace in Boston, San Antonio's Riverwalk, and Millennium Park in Chicago. Some public spaces are used by people every day for a variety of reasons. Other public spaces are used once in a while, especially by visitors. AZ Central could accommodate a large number of people during festivals, but also serve as a day-to-day park for residents.

The site itself is fairly straightforward and is in a key location, not only in relation to Scottsdale's noteworthy landmarks but also in terms of the state as a whole. The surrounding infrastructure is good, and the site is already considered a destination. Pedestrian, bicycle and transit activity connects to the site. The canal runs to the northeast. The site creates an axis between the Fashion Square to the north, and the Museum of the West to the south.

Ms. Jacobs explained that AZ Central is conceived as a site that can have a public park presence, gather many different people together in one place, and serve as a touchpoint for visitors. A plaza would extend towards the canal and serve as an epicenter from which people could view the surrounding mountains and other area amenities. Parking and retail would be located below, with a green space above. In effect it would serve as Scottsdale's living room. The plaza would accommodate as many as 1,500 people for large events and celebrations, but also encourage informal gatherings on non-event days. It would be a public space that could do things that Civic Center Mall and Indian Bend Wash cannot do.

Chairman Holdsworth reported that many aspects of AZ Central remain to be worked out. The business model needs to be created, its content needs to be determined, and land acquisition issues need resolving. Ms. Jacobs said Scottsdale has seen many good ideas come and go over the years, but AZ Central can last and evolve if it becomes a civic moment for the people of Scottsdale.

Mr. Grupp asked why the Civic Center Mall would not be a good location for AZ Central. Ms. Jacobs said the smaller scale of AZ Central would be more appropriate for the types of events that are envisioned there. Chairman Holdsworth added that each venue caters to different markets and would complement, not compete with each other. Mr. Geiogamah noted that Holly Street has also been selected to redesign the Civic Center Mall.

Task Force Member Duley said people will think nothing of walking the length of Fashion Square because there are always new energy points along the way to pique their interest and keep them moving forward. That same idea has to exist downtown, so that visitors will feel compelled to continue moving to see what lies farther down the street.

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Ms. Jacobs said people enjoy urban environments because they are built on a human scale that allows them to become part of the fabric very quickly. Task Force Member Unger said the pieces for AZ Central are here. It will not take a large amount of money; it just needs a thoughtful plan.

8. <u>Tourism Development and Marketing Strategic Plan – Year 2 Engagement</u> Plans

Valeri LeBlanc, PLACES Consulting, stated that in order to accomplish something new in a complex system, one must start from the inside and work out. To activate downtown Scottsdale as a place of day-to-day activity, one must work to change people's beliefs, gain the support of leadership, change the processes, and build infrastructure improvements. Agents are people who work to maintain the status quo, and are often the last to see themselves as the beneficiaries of change.

Bike Friendly Community

Ms. LeBlanc stated that Scottsdale has a goal of becoming a world-class biking destination. The working group had a very successful year. All of the discussed strategies are in process and some have been completed. The new Mountain Vista trail will allow people to take a short bike ride and look at the various mountains of Scottsdale through an interpretive narrative. A map of the route will be included in the downtown mapping directory. This is the first of a series of three or more planned trails that will help visitors develop a sense of place through intriguing stories. Other related initiatives include signage, bike rentals, and a support strategy for bike-friendly businesses.

Susan Conklu explained that the City is hosting two open houses at the Community Design Center on June 17 and June 23 to obtain input from the biking community on the initiatives. The Arizona Department of Transportation estimates that \$88 million per year comes into the state from bicycling related activities.

AZ Central

Ms. LeBlanc reported that the AZ Central concept was introduced to key figures in the tourism business, and their response was positive, even though they acknowledged that many questions remain unanswered. The State Director of Tourism agreed that the canal bank would be a perfect place to introduce visitors to everything Arizona has to offer. The important achievement so far has been getting assent that this is an important strategy and that the tourism community is behind it. Scottsdale started off as a resort city, and that remains an important part of the equation, but the expansion of modern travel preferences means that Scottsdale must offer a larger variety of activities to stay competitive. Centralizing them in one place gives downtown some real advantages.

Crisis response reserve

Ms. LeBlanc said many people felt that Scottsdale's support for emergencies was so strong that another layer was not necessary. The committee talked to colleagues around the region to address ways to get ahead of contentious legislation before it becomes a big problem and negatively impacts tourism and economic development.

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The crisis response working group came up with a good strategy to ensure that the City can continue to meet its obligations in the event of a downturn in tourism.

Downtown Events and Happenings

Ms. LeBlanc stated that a number of small animating events have occurred this year as a result of the working group's activity. These must be monitored and evaluated moving forward. An RFP has been issued to study funding, infrastructure support, et cetera, for shoulder season festivals. The working group may need to take a look at possible regulatory and zoning changes with regards to events downtown. Task Force Member Birchler said the Events and Happenings Subcommittee has been discussing ways the City could better support downtown merchants and help them feel that they are part of the process of planning for the future.

Cheryl Sumners, Tourism and Events, explained ongoing efforts to create a new special events ordinance in the City Code. The current ordinance is part of the Zoning Ordinance and is land use based. It has been in existence for about 23 years and is due for an update. The needs of producers, communities, and attendees have changed greatly over that period. The objectives of the update are to correlate with the tourism five-year strategic plan and various other downtown strategies to modernize standards and practices, and streamline the processes related to special events. A tiered approach would better distinguish the different needs for small events that bring in dozens of people, and those large events that bring in many thousands. Allowing street performers downtown would enliven the space and draw people in. Zoning requirements would be removed, which would allow more types of properties to have special events. The target is to have City Council decide on the actual ordinance language by January 2016.

Task Force Member Unger questioned whether the removal of zoning requirements would actually give the City less power to control bad actors. Ms. Sumners responded that it would not. Currently, certain zoning categories correspond to certain types of events. Removing these requirements would provide greater flexibility. Chairman Holdsworth said event producers want to see simplified and expedited processes, and Scottsdale is losing out on events because of the general perception that the City's requirements are too complex. An effort needs to be made to engage those producers who have simply given up on the idea of having an event in Scottsdale.

The Task Force discussed some of the general challenges they are facing in terms of reaching their goals. Task Force Member Birchler said the working group is still trying to identify the best way to effect progress. It remains to be seen what person or group will take charge of running events and happenings once the strategies are chosen and implemented. There are many good ideas, but also many duplicated efforts. She suggested that the Task Force get together with the TDC and the SCVB to identify permanent homes for some of the initiatives. There are many good people wanting to do good things, but they are moving in isolation along parallel paths. Better collaboration should lead to better results. Chairman Holdsworth felt that the high level communication was strong, but questioned whether that information was getting disseminated properly.

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Ms. LeBlanc stated that the TATF should be structurally more fluid than organizations that exist for singular purposes, and be able to move between various entities freely. High level communications are valuable for making decisions about the scope of work or direction, but the execution of plans should stay at the working group level to have the most effect. Chairman Holdsworth said communication is the key. When several group chairs met recently, they were surprised to learn how much they did not know about each other's activities and how many efforts were duplicative. Sooner or later the public will have to be engaged so that they can provide their own input on what should be done.

Chairman Holdsworth responded that not all subcommittee members are participating to the same extent, and the burden is being carried by a subset of the more enthusiastic members. He suggested that the newsletter distribution list be reviewed to determine if it is getting out to the people who need to see it. Ms. LeBlanc said finding more people who want to participate is an important priority. If the people who have been chosen for committees are not committed to the tasks at hand, new volunteers should be found who would be.

9. Tourism Plan Priority Year 3

Chairman Holdsworth recommended the formation of a new working group to focus on downtown. It would be distinctly different from the AZ Central effort in that it would focus on economic development efforts downtown related to tourism.

The Task Force Members discussed the priorities of each working group for Year 3. Chairman Holdsworth encouraged each committee to focus on a narrow set of achievable objectives before moving on to other initiatives, in order to avoid taking on too much at once.

Bike Friendly Community

The City is planning a bike sharing program within the next few years. Task Force Member Unger said it should be easy for tourists to rent a bike, get a map, and find a place to eat. Task Force Member Chippindall said bike sharing would work better than bike rentals for tourists who prefer to take a quick ride, leave the bike at their destination and take a taxi back. It is also good for apartment dwellers who have limited space for bike storage. Ms. Conklu added that businesses will be able to sponsor bike sharing stations. The program is meant for both tourists and locals. Ms. LeBlanc advised that it will be critical to gain the support of friends of biking.

Generational Change

Task Force Member Chippindall said a contract will soon be awarded for a new website targeting millennials that will provide information on events and happenings, and details on how to plan a move to Scottsdale. It will feature videos, blogs, data collection, and social media. The website is targeting an early fall debut. The belief is that millennial travel to Scottsdale can be driven by influencing millennials who already live in Scottsdale. Ms. LeBlanc said the website would require a manager to ensure that the

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message is carried forward. Task Force Member Chippindall reported that the working group is also pursuing online/offline engagement, and a calendaring system.

Events and Happenings

Task Force Member Birchler stated that the top priority is to evaluate the establishment of an events organization that will be tasked with recruiting and managing events of all sizes. The other priority is championing and supporting the development of the new Events Ordinance. Task Force Member Potje said the working group will analyze the results of the Webb Report to come up with next steps. Mr. Geiogamah noted that the final draft of the report should be available in October. The first phase of the study is to test the market, and identify potential events and venues. The second phase will look at the feasibility and financial return of events. The third phase will be to develop potential sponsors.

Rituals

Ms. LeBlanc stated that the key thing about rituals is that they are not commercial. They are ongoing and part of the regular fabric of life and appear when people gather together, but Scottsdale lacks these components. Ms. LeBlanc asked the TATF to discuss whether this initiative should be abandoned or not. Task Force Member Duley felt that rituals should grow organically, and not be manufactured. AZ Central might provide opportunities for rituals to develop later on. The Task Force agreed to abandon this effort.

AZ Central

Chairman Holdsworth said that without the City finalizing the land acquisition it would be difficult to move forward on many of the initiatives related to AZ Central. The concept is held dearly and acknowledged as important by many, but it would be premature to move forward right now without knowing the outcome of these discussions. Holly Street has developed the concept to its fullest extent possible, given the existing circumstances. Location is the key component. The focus at the moment should entirely be on getting City Council to approve the proposal. Anything else could prove a distraction. Last week, the Executive Committee of the SCVB provided City Council with formal notice of its support for the concept and emphasizing its importance to tourism.

Downtown Economic Development Group

Chairman Holdsworth reported that the idea of establishing a community foundation was introduced to the downtown business group, but since then, Mayor Lane suspended that group's activities and has not indicated what he would like to see happen next. He felt that a new downtown group is a necessary addition. It needs to determine what belongs in economic development, what belongs in tourism, and would not cross over with activities of the Events and Happenings group. The working group would gather together members from Scottsdale's other downtown focused groups to discuss issues related to economic development and tourism.

Ben Moriarity noted that no single approach would speak for everybody. The Scottsdale Gallery Association funded some infrastructure under a previous business improvement

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district that once again needs attention. Old Town has its own merchants association that wants to promote Scottsdale's western character. The entertainment district has a group that gathers for purposes such as maintaining security and cleanliness. All of the districts need to be engaged. Task Force Members Unger and Birchler agreed to cochair the new working group.

Transportation

Task Force Member Unger noted that the Transportation Commission has been discussing an idea to narrow Scottsdale Road in downtown. He felt this could become a key downtown issue, and that the TATF should weigh in on the matter. Ms. LeBlanc suggested asking the Transportation Department for their help in addressing the issues that tourism faces. Chairman Holdsworth said he has been engaging with the chair of the Transportation Commission, and agreed there should be much more cooperation between the two communities.

10. Identification of Future Agenda Items

The next scheduled meeting is September 16, 2015.

11. Adjournment

The meeting adjourned at 1:13 p.m.

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